

**CENTER CITY STRATEGY
SHAPING DOWNTOWN:
PROPOSED CHANGES TO DOWNTOWN ZONING
May 11, 2005**

EXECUTIVE SUMMARY

Key Recommendations

This summary and accompanying report explain the Executive's proposal for changes to height and density limits and other related amendments to the Downtown Chapter of the Land Use Code. The recommended ordinance contains actions for implementing proposals developed through the Downtown neighborhood planning process, while also responding to public concerns raised through the review of these proposals in both the Draft and Final Environmental Impact Statements. These amendments represent the latest phase of a multi-phased effort to implement Downtown neighborhood plans. They reinforce the amendments to the Downtown transfer of development rights (TDR) and public benefit features (bonus) programs adopted in 2001 in anticipation of the changes to height and density limits addressed in this phase.

Summary of the major amendments recommended

The recommendations in the Executive proposal generally fall into the following categories:

- 1) Changes to development standards that control the scale and density of development, including height limits, floor area ratio (FAR) limits for non-residential uses, and controls on building bulk. Also included are revised bulk controls for Downtown high-rise development, with particular emphasis on residential towers.
- 2) Changes to the zoning map to reflect new designations applied to some areas consistent with the changes to height and density limits, as well as a limited number of rezones where areas are reclassified from one zone designation to another.
- 3) Adjustments to the bonus and transfer of development right (TDR) provisions that allow increases the density of a project as an incentive for contributions to specified public benefits that mitigate the impacts of the added density. The most significant of these changes include a new affordable housing bonus for residential use in high-rise structures, incentives for high-performance green buildings, a new form of housing TDR from sites occupied by new affordable housing projects, expanded provisions for use of TDR from designated landmark structures, and elimination of some existing bonuses considered now to be of low priority relative to these added public benefits. The Transfer of Development Credits (TDC) incentive program allowing added height for residential use in the Denny Triangle in exchange for preserving rural lands and contributing to neighborhood amenities would be eliminated.

- 4) Changes to special land use decision procedures, including the Planned Community Development (PCD) process and a new combined lot provision that allow added flexibility in the application of density limits and development standards in exchange for providing public benefits.
- 5) Amendments to the Downtown Section of the Code to maintain consistency with Land Use Code amendments related to other City initiatives, including the elimination of the minimum parking requirement for non-residential uses and other related changes to parking provisions.
- 6) Minor code clean-ups that address problems identified with current development standards, such as standards for transparency requirements and blank wall limits on building frontages along steep streets and provisions for common recreation area in residential projects.
- 7) Changes in the order and structure of the Downtown Section of the Land Use Code to reduce duplication of provisions by consolidating subchapters, reordering some subsections in a more logical sequence, and simplifying material.

In the three Downtown zones affected by the amendments, development density will continue to be regulated through a base and maximum floor area ratio (FAR) for commercial uses and through height and bulk limits for residential use. The current bonus and TDR provisions adopted in 2001 will continue as the basis for commercial floor area increases above base FAR limits up to the maximum FAR limits established for these zones. However, further amendments to these programs are proposed, including the repeal of specific measures adopted in 2001 that were put in place pending final decisions were made on the height and density limits.

The most significant changes implemented by the amendments include increases to the maximum FAR limits in certain zones and increases to the height limits in almost all areas. Increases to maximum FAR and height limits are proposed in the Downtown Office Core 1 (DOC 1) zone and a portion of the Downtown Office Core 2 (DOC 2) zone, as well as some Downtown Mixed Commercial (DMC) areas in the Denny Triangle. Remaining DOC 2 areas located on the southern and eastern edges of Downtown would be reclassified as DMC zones, but would retain current commercial FAR limits, while allowing increased height for all uses. Other DMC areas in parts of the Denny Triangle, Belltown, and the Commercial Core would retain current density limits, while heights for residential use, and, in some cases commercial use, would be increased. No changes to height or density limits are proposed for the DMC areas immediately east of the Pike Place Market Historical District and between Post Alley and Alaskan Way south of the Market.

In addition to the DOC 2 areas that would be reclassified to a DMC designation with the same FAR limits, there would be three additional rezones, including:

- Rezoning one half-block on the west side of 3rd Avenue between Stewart and Virginia Streets from DOC 2 300 to DMC 240/400.
- Rezoning two half-blocks of the Downtown Retail Core (DRC) zone on the east side of 2nd Avenue between Pine and Union Streets to DMC 240/400.

- Rezoning one block of the DOC 1 zone north of Union Street and east of 7th Avenue (part of the Washington State Convention and Trade Center) to DMC 340/400.

The major amendments of the Executive proposal are summarized in more detail below according to the key objectives they are intended to achieve.

1. Enhance opportunities for housing development to create a vital, mixed-use downtown environment, reducing sprawl in the region, and protect the city's existing residential neighborhoods.

Increase height limits for residential use. To provide an incentive for housing, residential development would be allowed additional height in most areas. In areas outside the office core where height increases are proposed, projects with housing would be allowed to be taller than other development.

Limit areas of commercial density increases and maintain current limits where housing is emphasized. To reduce pressure of commercial expansion into peripheral downtown areas where more housing is desired, the Executive proposal would limit the areas of substantial commercial density increases primarily to the existing office core (DOC 1 and portions of DOC 2). Allowing higher commercial density here will make it possible to absorb more of the long-term demand for office space in these areas, maintaining more opportunities for housing and mixed use development in areas where current commercial limits are maintained.

2. Accommodate as broad a range of household incomes as possible.

In addition to the provisions above that promote more housing development in general, several proposed actions are targeted at expanding the supply of affordable housing Downtown.

Establish bonus for affordable housing in highrise residential towers. Currently, housing bonus provisions do not apply to residential use. Under the Executive recommendation, residential projects could achieve the maximum height and bulk allowed only by contributing to affordable housing—either through a fund or providing the housing within the project.

Increase potential use of bonuses for affordable housing. Proposed increases to the maximum FAR limits will create more opportunity for commercial projects to use bonus and TDR floor area incentives for affordable housing, since floor area gains above current commercial FAR limits will require participation in the affordable housing/childcare bonus and/or TDR programs.

Increase TDR options for encouraging affordable housing. A new type of TDR is proposed for the DMC zone that would allow sites occupied by newly constructed affordable housing projects to transfer commercial development rights to certain DMC locations. Also, to encourage both landmark preservation and affordable housing, TDR from landmark structures converted to new use as affordable housing

could be used to achieve up to 75% of the floor area increase allowed above the base FAR.

3. Maintain Downtown Seattle as the main regional employment center and concentrate employment growth where it can best be served by transit.

Raise density and height limits for commercial uses. Recommendations for increases to commercial FAR and height limits will create the potential to accommodate more of the region's future job growth Downtown and to further concentrate this growth in areas with the best access to the regional transit network. The most significant increases in commercial density are in office core areas along the light-rail and monorail alignments. More modest increases are proposed for some areas abutting the office core, while remaining mixed use areas will continue to provide opportunities for commercial growth under current limits.

Eliminate parking requirement for commercial development. To allow high density office development to take full advantage of public investment in transit facilities Downtown, the minimum parking requirement would be eliminated. While developers would no longer be required to provide parking, there would continue to be a maximum limit on the amount of parking that could be provided.

4. Help ensure that added height promotes less bulky development for both residential and non-residential projects.

Increasing height limits allows the total floor area permitted on a site to be distributed over more floors, making it possible to do more slender tower forms. In addition to relieving the height constraint that has contributed to the bulkier appearance of recent developments, the following actions are also proposed to address bulk:

Façade modulation and limits on façade lengths. More flexible façade modulation requirements would replace complicated lot coverage limit standards controlling the bulk of the upper levels of commercial buildings today. The new standards address the same bulk issues, but in a more straightforward way. On larger sites, a maximum width is also established for the highest portion of a tower, to ensure a more slender profile facing Elliott Bay.

Bulk provisions for residential towers. New standards are proposed for highrise residential buildings--now subject to the same standards as commercial towers. Recognizing differences in their function and design, the new standards will prevent "slab" highrises and promote more slender tower forms through limits on tower widths and floor sizes. The bulk impacts of multiple structures in an area will be further addressed by tower spacing provisions.

5. Provide a transition in development intensity and scale between the office core and adjacent neighborhoods.

The proposed changes to height and density limits adhere to existing Downtown urban form policies, which generally call for the greatest height and intensity of

development in the Downtown core, with gradual decreases in both moving away from the core.

Maintain current commercial density limits along Downtown edges. Under the proposal, the commercial density limits (FAR) are unchanged along most edges abutting less intensive areas, allowing for the same transition in the intensity of commercial development as under current zoning. While height increases are proposed in many of these areas – with the greatest increases for residential use—the downward tapering of height moving away from the core is retained, and for residential structures, height increases are coupled with greater controls on bulk to promote more slender tower forms. Several of these areas are currently zoned DOC 2 and would be reclassified DMC, including areas just north of Pioneer Square and the ID neighborhoods, and along I-5 across from the Pike/Pine neighborhood.

No changes in sensitive transition areas. Current height and density limits are maintained for the half-blocks fronting on 1st Avenue opposite the Pike Place Market Historical District and in the area west of Post Alley along the waterfront between the Market and Pioneer Square.

Rezoning. Limited rezones are proposed, primarily adjustments to zoning boundaries along some zone edges to address transition issues where substantial increases in height and density are proposed or to maintain a consistent scale relationship between development allowed on opposite sides of the street.

6. Promote historic preservation

The amendments adopted in 2001 included the following provisions supporting historic preservation objectives:

- expanding the Downtown area where landmarks are eligible to sell unused development rights and
- establishing a TDR bank enabling the City to acquire and hold development rights from landmark properties until buyers can be found, with the added requirement that if these TDRs are available, a specified amount would need to be purchased in order for a project to exceed base FAR limits.

Further actions in the Executive proposal to reinforce the Downtown preservation strategy include:

Exempt floor area in designated landmark structures from FAR calculations up to base FAR. This action would allow a landmark property to transfer up to the full base FAR from its site, rather than only the amount of base FAR remaining after chargeable floor area in the structure has been deducted. Currently, uses such as housing, street level retail, and the floor area of bonus features are exempt from FAR calculations. Expanding the exemption to include any use in a landmark building will increase the amount of TDR floor area available to sell from individual landmark properties, which creates a stronger incentive for designating a property as a landmark and increases the potential source of funds for restoration and rehabilitation.

Allow use of TDR from landmark structures converted to affordable housing as part of the 75% portion of bonus floor area above the base FAR allowed to now only be gained through affordable housing and childcare incentives. Unless a landmark structure on a sending site is currently occupied by affordable housing, TDR from landmark buildings can only be used to gain up to 25% of the floor area increase allowed above the base FAR. This change would allow landmark buildings newly converted to housing affordable to households at specified income levels to sell the full base FAR on the property as TDR for use in the 75% portion now reserved for floor area gained through affordable housing/childcare bonuses and TDR from existing affordable housing structures. This action promotes both housing production and landmark preservation, and allows for greater use of landmark TDR for floor area gains above the base FAR.

7. Promote environmentally sustainable development through high-performance green buildings.

In general, the increased densities proposed Downtown will promote a high-density, mixed use development pattern as an alternative to regional sprawl, providing more opportunities for people to live close to work and concentrating growth in an area with the greatest access to transit. The Executive recommendations also include the following to specifically promote development of high-performance green buildings to reduce environmental impacts, enhance human health, and protect asset value of buildings Downtown:

High-performance green building incentive. In the three zones where density and/or height increases are proposed, commercial development would only be allowed to exceed the base FAR if the project achieves LEED “Core and Shell” or “New Construction” certification. The amount of additional floor area granted for meeting this standard would vary by zone, reflecting a similar proportion of the total amount of floor area that can be gained above the base FAR in each zone.

For residential development, projects would be required to achieve certification as a LEED “New Construction” project in order to increase the bulk and height to the maximum limits allowed.

Public benefit in special land use processes. The proposal modifies the Planned Community Development process and establishes a new combined lot provision that both identify high-performance green building practices as a public benefit that can be incorporated in a project for the increased development flexibility that can be granted through these procedures.

8. Support increased transit use and non-motorized travel.

In addition to height and density increases to concentrate employment growth where it is most accessible to transit riders, including future monorail and light rail

commuters, the following actions are proposed to promote a strong environment for transit use downtown:

Eliminate minimum parking requirement. To discourage continued use of private vehicles for commute trips and encourage use of transit in areas with the highest level of service, the Executive recommendation calls for eliminating parking requirements for commercial uses.

Expand bonus for transit station access. Access to transit tunnel station is currently a public benefit feature eligible for a floor area bonus. The proposal would expand the bonus to access provided to stations for all fixed rail transit facilities, including the monorail. The value of the bonus is also raised to what it had been prior to the 2001 amendments, because the increase in the maximum FAR limits increase the amount of floor area that can be gained by this type of bonus.

Public benefit in special land use processes. The proposal modifies the Planned Community Development process and establishes a new combined lot provision that both identify improvements to transportation facilities and improved circulation, especially for pedestrians, as public benefits that a project can provide in exchange for the increased development flexibility granted through these procedures.

Revise bicycle parking requirements and add incentives for bicycle facilities. New bicycle parking requirements are proposed and floor area incentives offered to projects providing shower facilities for bicyclists.

9. Enhance incentives used to increase Downtown open space resources.

The amendments to the Downtown Code adopted in 2001 included the following provisions to increase public open space resources:

- Establishing public open space TDR to allow the transfer of unused development rights from public open space sites to help fund the acquisition and improvement of these sites as parks.
- Increased priority for public open space as bonusable features by eliminating other lower priority features, such as cinemas, museums, and shopping atriums.

Proposed changes to further promote open space improvements downtown include:

- Increases in maximum FAR limits that will allow greater use of floor area bonuses for open space amenities provided for public use on a project site.
- Additional opportunities for substituting open space requirements and bonuses with in-lieu of payments to fund improvements at off-site locations.
- More flexible application of the common recreation requirement for residential use is proposed to encourage more open space and landscaping at street level and the lower floors of residential structures where it can enhance the public pedestrian environment.
- With the proposed increase in maximum FAR limits, the provisions adopted in 2001 that limited the amount of open space bonus that could be used to gain the 25% portion of FAR allowed above the base FAR would be removed.

10. Simplify the Downtown Land Use Code.

Subchapter 1 is reorganized to combine sections with related provisions and to present the various sections in a more logical sequence, making the Code easier to navigate.

The format of the Downtown Code is modified to consolidate the subchapters for the DOC 1, DOC 2 and DMC zones into one subchapter, eliminating the duplication of provisions that apply in all three zones.

Conclusion

The Executive recommendation discussed in this report is the latest in a series of actions undertaken by the City to implement Downtown neighborhood plans approved by City Council in 1999. It has also evolved into an important component of the Mayor's Center City Strategy, which seeks to provide a comprehensive growth strategy for the Downtown and surrounding urban centers within the broader context of Seattle's Comprehensive Plan.

The Executive recommendation carries forward and reinforces major amendments to the Downtown bonus and TDR provisions adopted in 2001. These amendments reprioritized the development incentives in the Downtown code to emphasize affordable housing, while also addressing objectives for historic preservation, public open space, urban design, and other public benefits. An additional incentive for green buildings is also introduced. Combined these actions will promote a dynamic, livable Downtown that will be a critical lynchpin in the region's growth management strategy.